

SMALL AND MEDIUM-SIZED ENTERPRISES PLAY A CENTRAL ROLE IN EXPORTS TO CHINA

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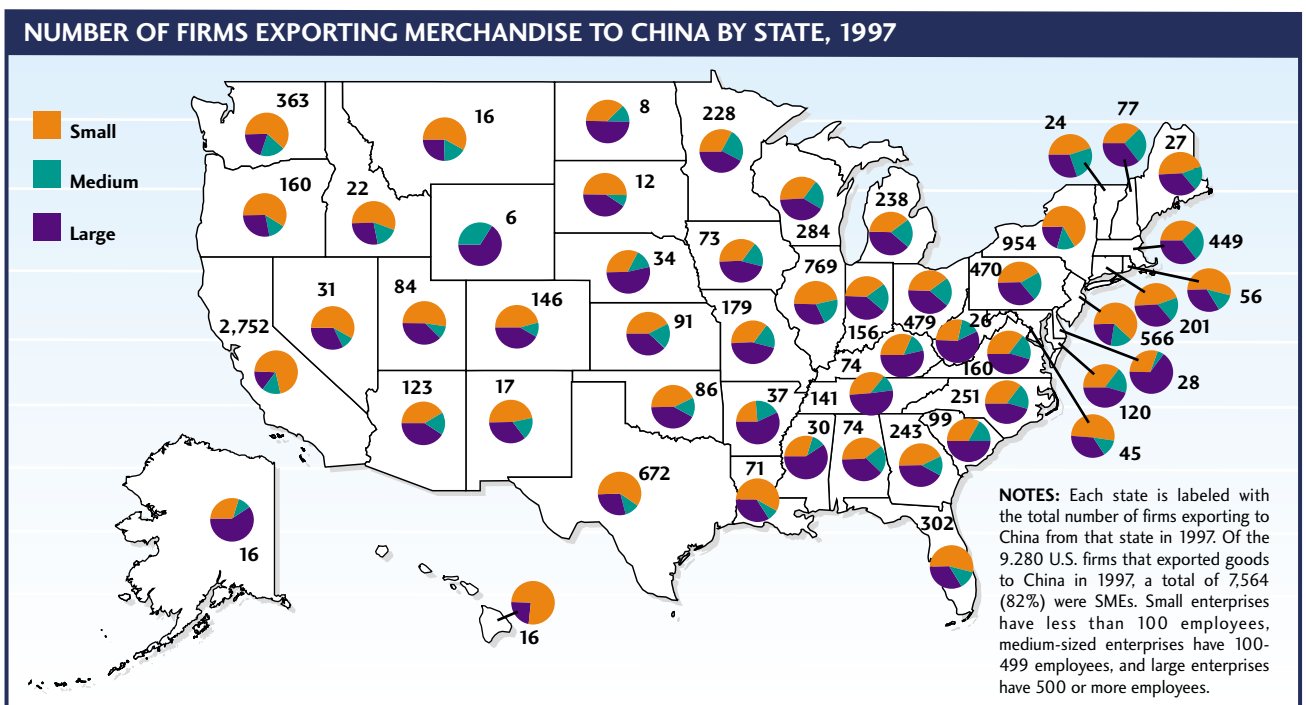
A total of 9,280 U.S. firms are known to have exported merchandise to China in 1997—the last year for which data are available. This is more than double the number in 1992, when 4,092 firms exported to China.

The number of small and medium-sized enterprises (SMEs) exporting to China has been rising much faster than the number of large companies. From 1992 to 1997 the number of SMEs exporting to China surged by 141 percent, compared to 81 percent for large-company exporters.

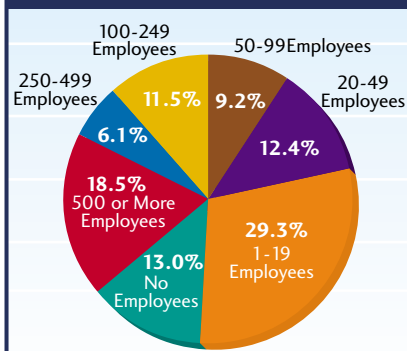


Twenty-four states had over 100 companies that exported to China in 1997.

- The states with the most exporters to China were California (2,752), New York (954), Illinois (769), Texas (672) and New Jersey (566).
- In 40 states, SMEs made up over half of all exporters to the China market.



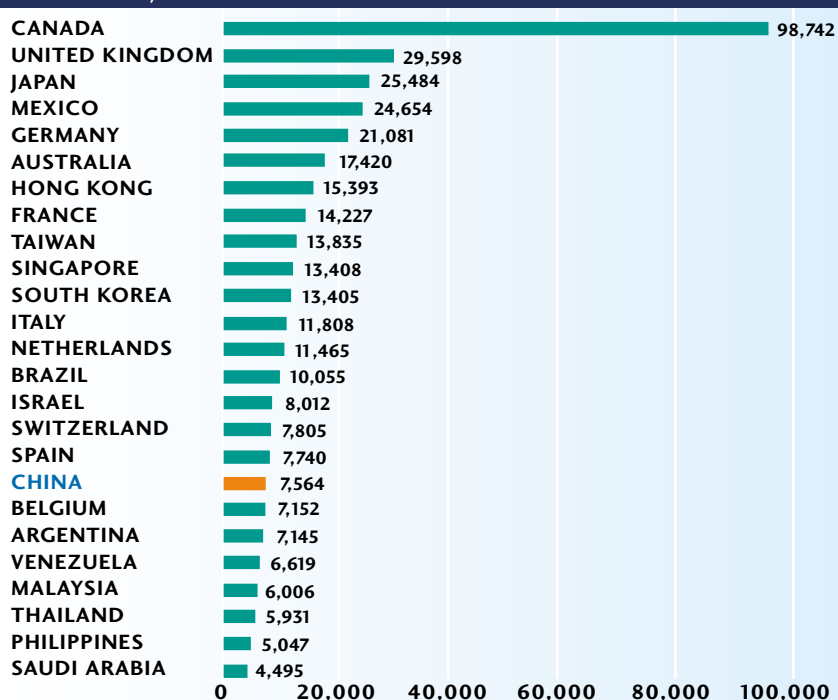
9,280 U.S. FIRMS EXPORTED TO CHINA IN 1997 WITH:



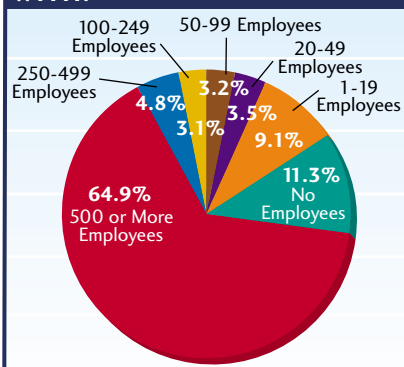
A dominant and growing share of U.S. exporters to China are small and medium-sized enterprises. Eighty-two percent of all U.S. exporters to China in 1997 were SMEs. This is up significantly from 1992, when 77 percent of exporters to the China market were SMEs.

The number of known SME exporters to China in 1997 totaled 7,564—up from 3,143 SMEs in 1992.

NUMBER OF SMEs EXPORTING TO TOP 25 U.S. EXPORT MARKETS, 1997



SHARE OF 1997 U.S. EXPORTS TO CHINA BY COMPANIES WITH:



SMEs are responsible for a growing share of U.S. exports to China.

- In 1997, SMEs generated 35.1 percent—over one-third—of all U.S. merchandise exports to China. This is up significantly from a 27.6 percent share in 1992.
- Also, the 35.1 percent SME share of the China market in 1997 was higher than the SME share of overall U.S. merchandise exports (30.6 percent) in that year.

WHAT IS THE EXPORTER DATA BASE?

■ All statistics in this report are from the Commerce Department's Exporter Data Base (EDB), which provides an annual statistical profile of U.S. exporting companies—including their number, size, industry composition, and geographic distribution. The EDB is a joint project of the Census Bureau and International Trade Administration (ITA). However, ITA is solely responsible for the content of this article.

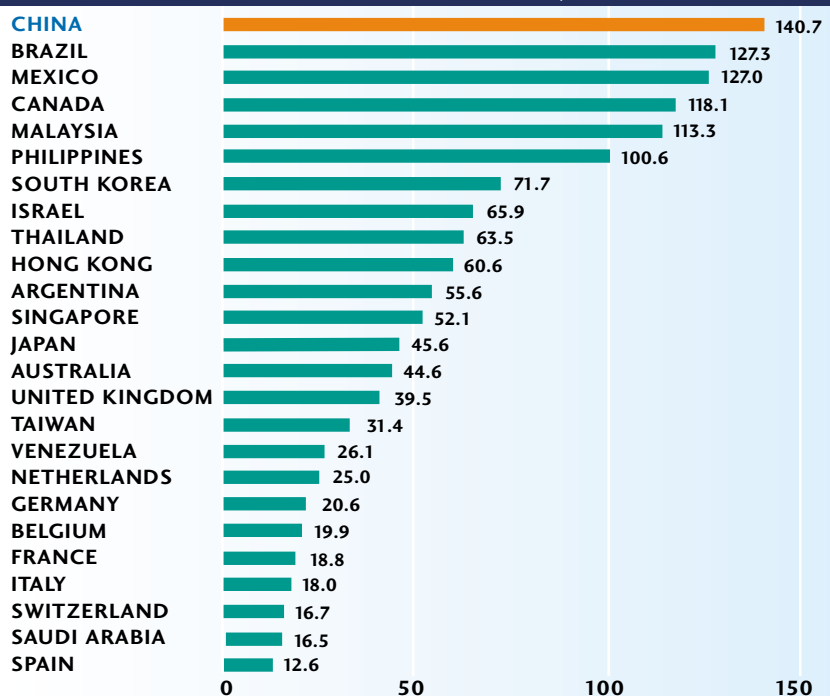
■ The Exporter Data Base is comprised of all enterprises that could be identified from Shippers' Export Declarations (SEDs) that were filed, per U.S. regulations, for merchandise exiting the country. To identify exporters from SEDs, the Census Bureau used Employer Identification Numbers (EINs) and other SED information to link these documents to the Bureau's Business Register (which contains information on company characteristics and locations).

■ EDB data on individual firms—including company names and addresses—are not available to the public due to federal regulations that prohibit public release of confidential business information provided to the U.S. Government.

■ Latest available data from the EDB are currently for 1997. Statistics for 1998 will be available sometime during first-half 2000, and will initially be available from the Census Bureau.

Over the 1992-97 period, the number of SMEs exporting to China rose faster than the number of SMEs exporting to any other major market.

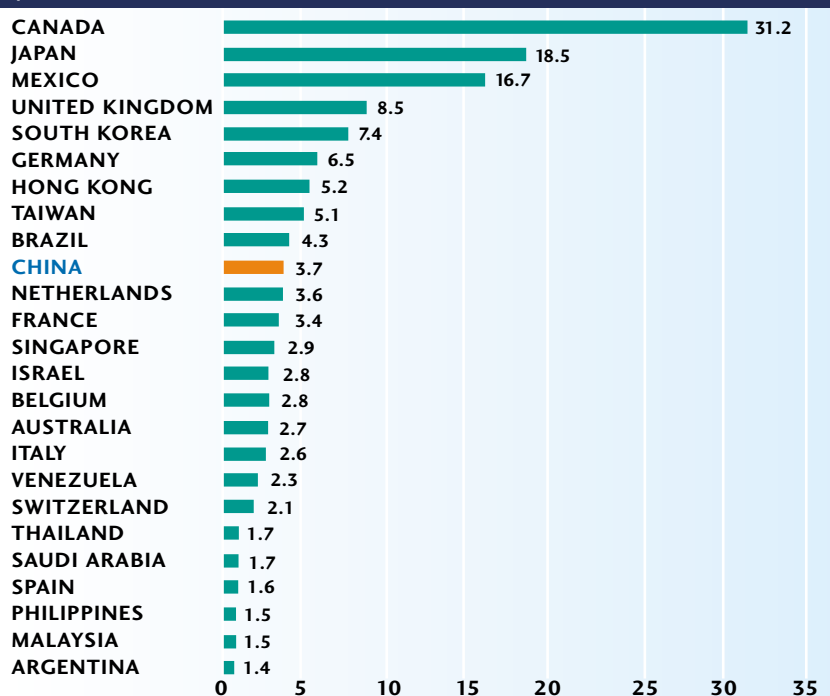
PERCENT INCREASES IN NUMBER OF SME COMPANIES EXPORTING TO TOP 25 U.S. MARKETS, 1992-97



China is a significant and growing market for SMEs.

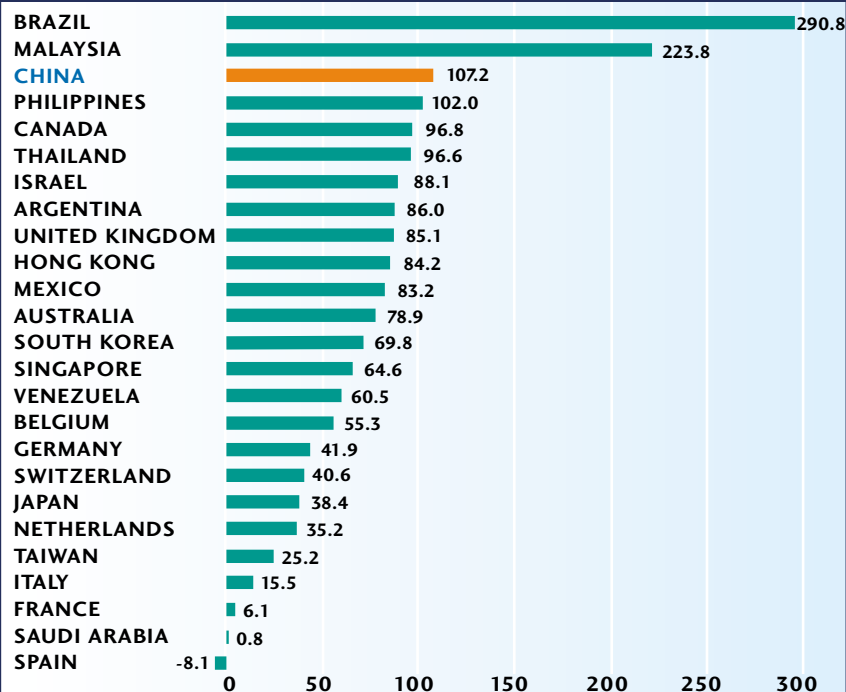
■ In 1997, China was the 10th largest export market for SMEs, up from 12th place in 1992.

SME EXPORTS TO TOP 25 U.S. EXPORT MARKETS, 1997; \$BILLIONS



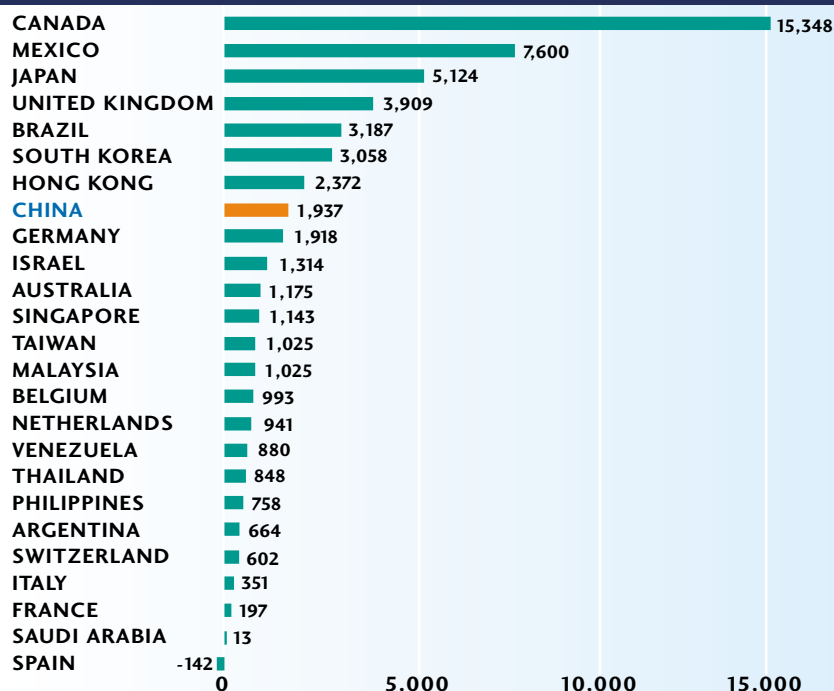
- From 1992 to 1997 the value of SME exports to China more than doubled, rising by 107 percent. Among SMEs, only exports to Brazil (291 percent increase) and Malaysia (224 percent) grew faster.

1992-97 PERCENTAGE CHANGES IN EXPORTS BY SMEs TO TOP 25 U.S. EXPORT MARKETS



- Measurable SME exports to China rose by nearly \$2 billion during 1992-97—the eighth largest gain posted by SMEs to any market. ■

1992-97 DOLLAR EXPORT CHANGES BY SME FIRMS TO TOP U.S. EXPORT MARKETS; \$MILLIONS



EXPORTER DATA BASE: TECHNICAL NOTES

■ The 1997 Exporter Data Base consists of 209,455 exporting firms, accounting for 82 percent of measurable merchandise export value. Due to misreporting and other data collection problems, export documents accounting for 18 percent of export value could not be linked to the companies that filed the forms. Because of the inability to link all export declarations to the firms that filed the documents, the EDB may slightly understate the total number of exporters—especially as regards small companies with only a few export transactions.

■ The EDB only captures companies that have at least one export shipment during the year valued at \$2,501 or more. Also, the EDB tracks only exporters of merchandise—i.e., goods. Firms that export services only are excluded. However, service companies that export goods, as well as services, are included.

■ All businesses included in the EDB are direct exporters—i.e., entities that ship merchandise from their facilities to a foreign destination. Excluded from the EDB are so-called “indirect” exporters whose export role is limited to supplying firms that directly market products internationally.

■ Companies in this report are classified according to employment size ranges. Small firms are defined as those with fewer than 100 employees. Medium-sized firms employ from 100-499 workers. Large firms have 500 or more employees.

■ EDB statistics profiling exporters at the state level are compiled on an Exporter Location (EL) basis. Tabulations on an EL basis assign exporters to sub-national areas based on the zip code location of the “exporter of record” as specified on export declarations. The exporter of record is the party principally responsible for the export transaction. The exporter’s zip code location is very often the point of sale, or marketing location. In some circumstances, the exporter’s location may also reflect the location of the company’s home office (“headquarters effect”) or the location where export paperwork was performed. ■